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ADDIS ABABA FOR USAU, PARIS FOR USOECD PAUL REID, CURTIS
STONE

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TAGS: [PGOV](#) [PHUM](#) [EAID](#) [EUN](#) [OECD](#) [UG](#) [FR](#)
SUBJECT: UGANDA: POST DOES NOT RECOMMENDED FOR PARTNERSHIP
FOR DEMOCRATIC GOVERNANCE PILOT

REF: A. STATE 139331
[1](#)B. STATE 138461

Classified By: Political/Economic Chief Kathleen FitzGibbon for reasons
1.4 (b) and (d).

[1](#)1. (C) Summary: Post does not assess the Democracy and Governance environment in Uganda to be conducive for a quick success for the Partnership for Democratic Governance (PDG) pilot. Government officials, including President Museveni, have publicly complained about outside interference on governance and transparency issues and would not welcome the conditions attached to the project. The Government has dragged its feet on signing off on USAID Democracy and Governance programs and has been slow to provide its counterpart funding for the Millenium Challenge Corporation Country Threshold Plan. A PDG project could become controversial as President Museveni seeks a fourth presidential term. Given the track record and current operating environment, post does not believe that Uganda constitutes a "low hanging fruit" that would generate a quick success to gain momentum for the program. End Summary.

[1](#)2. (SBU) Post's assessment of the suitability of Uganda for PDG pilot programs follows.

[1](#)3. (SBU) The Government of Uganda has not demonstrated the political will to support democracy and governance projects, particularly those focused on transparency, and would not likely be prepared to accept the conditions that would come with PDG contracts. USAID negotiated a Millenium Challenge Corporation Threshold Country Plan with the Government in November 2006. The Government had agreed to provide counterpart funding of USD 2 million and has yet to make good on its promise. Under the pressure of a presidential visit to Washington in October and motivated by the possibility of a MCC Compact, the Minister of Finance and other officials have said that they would provide the counterpart funding. In 2006 and 2007, the Minister of Finance refused to sign off on USAID Democracy and Governance projects. He raised concerns over whether the U.S. should be involved in Uganda's domestic politics. The Minister did sign off on the funds after the issue was raised prior to President Museveni's visit to Washington. In September 2006, President Museveni publicly criticized the findings of a USAID Democracy and Governance Assessment. He said that he could teach a course to the west about democracy.

[1](#)4. (C) We expect the political environment to become increasingly charged over the next few years as Museveni seeks a fourth presidential term and moves forward with controversial constitutional amendments. Executive respect for the judiciary remains low. In March 2007, after security

forces invaded the High Court premises to re-arrest detainees who had been granted bail, Museveni announced that bush fighters were better placed than judges to interpret the law.

Heavy-handed actions against demonstrators raised concerns earlier this year about the Government's commitment to allowing opposition rallies. Recent bye-elections were marred by charges of fraud and manipulation. The Government has curbed some media freedoms over the past year.

15. (SBU) Uganda is saturated with donors and donor assistance. Forty five percent of Uganda's budget comes from donors. The Partners for Democracy and Governance group in Kampala is comprised of representatives from developing countries, who seek to monitor the Government's progress on a number of fronts: human rights, democracy and governance, anti-corruption, local governances, peace and conflict, and northern Ugandan development issues. However, meetings between the PDG and Foreign Minister on key human rights, democracy, and transparency issues have yielded little progress or reversal in worrying trends.

16. (C) Comment: There is no doubt that Uganda is experiencing growing pains after Museveni grudgingly returned the country to multi-party rule in 2006 as a trade-off for the removal of presidential term limits. We expect the next few years to be politically-charged as Museveni consolidates his hold over the political arena and the electoral arrangements for his re-election. As a result, there will be little incentive for the Government to back projects supporting democratic reforms. End Comment.

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